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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 31, 2013

Barclay E. Cuthbert
U.S. Oil Sands
Suite 1600, 521-3rd Avenue Southwest
Calgary, Alberta T2P 3T3
Canada

Subject: Permit to Commence Small Mining Operations, U.S. Oil Sands, Road Materials Pit Project, S/047/0116 Uintah County, Utah

Dear Mr. Cuthbert:

The Division of Oil, Gas and Mining (Division) finds your notice of intention (NOI) complete and approves the reclamation surety for the Road Materials Pit mine. You are now permitted to conduct small mining operations on 9.16 acres as outlined in the NOI, provided you have approval from other appropriate agencies. The approval or acceptance of a complete NOI does not relieve an operator from responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Please keep in mind the following regulatory requirements.

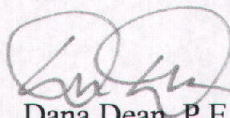
- The Division must be notified no later than 30 days after mining operations begin.
- Mining disturbance is only allowed in the area identified in the NOI and reclamation contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and the Division of State History.
- Annual permit fees and reports are due January 31st of each year.
- The reclamation surety will be reviewed every 3 years.
- The Division requests that the disturbed area boundary (including access/haul roads) be marked with metal T-posts to identify the area permitted for mining.



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The Division's web page at www.ogm.utah.gov/minerals has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/047/0116. Please contact April Abate at 801-538-5214 or Paul Baker at 801-538-5261 if you have questions or concerns regarding this letter.

Sincerely,



Dana Dean, P.E.
Associate Director of Mining

DD: AA: eb
Attachment: Approved SMO Notice
Enclosure: Copy of RC & surety forms
cc: John Blake -SITLA w/Encl
Matt Mcazier – mcazier@co.uitah.ut.us
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